

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF LYON COUNTY WATER) CASE NO. 2011-00275
DISTRICT)

ORDER

On July 15, 2011, Lyon County Water District (“Lyon County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Lyon County purchases water from the cities of Princeton (“Princeton”), Kuttawa (“Kuttawa”), and Eddyville (“Eddyville”), Crittenden-Livingston Water District (“Crittenden-Livingston District”), and Barkley Lake Water District (“Barkley District”).
2. On January 1, 2011, Princeton increased its volumetric wholesale rate to Lyon County from \$2.37 per 1,000 gallons to \$2.71 per 1,000 gallons.
3. On August 17, 2010, Barkley District increased its volumetric wholesale rate to Lyon County from \$1.65 per 1,000 gallons to \$2.23 per 1,000 gallons.²
4. On July 15, 2011, Lyon County proposed a purchased water adjustment factor of \$0.21 per 1,000 gallons which it intended to make effective on August 1, 2011.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2010-00301, Application of Barkley Lake Water District For A Certificate of Public Convenience and Necessity to Construct, Finance and Increase Rates Pursuant to KRS 278.023 (Ky. PSC Aug. 17, 2010).

5. During the 12 months ending May 31, 2011, Lyon County purchased 55,220,568 gallons of water from Princeton; 47,872,100 gallons of water from Kuttawa; 13,546,460 gallons of water from Crittenden-Livingston District; 7,757,000 gallons of water from Eddyville; and 379,400 gallons of water from Barkley District; and sold 94,300,300 gallons of water.

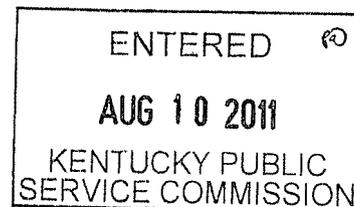
6. The purchased water adjustment factor of \$0.21 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that Lyon County renders on and after August 1, 2011.

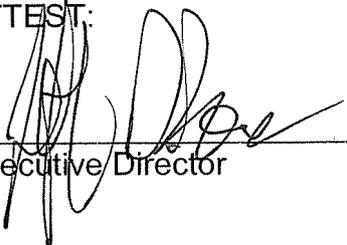
IT IS THEREFORE ORDERED that:

1. Lyon County's proposed rates are approved.
2. The purchased water adjustment factor of \$0.21 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service rendered on or after August 1, 2011.
4. Lyon County's proposed tariff sheet filed with the application is approved.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00275 DATED **AUG 10 2011**

	New Rate	Base Rate
Princeton		
Purchases in gallons	55,220,568	55,220,568
Volumetric rate	<u>\$2.71 /1,000</u>	<u>\$2.37/1,000</u>
	\$149,647.74	\$130,872.75
Kuttawa		
Purchases in gallons	47,872,100	47,872,100
Volumetric rate	No change	No Change
Crittenden-Livingston Water		
Purchases in gallons	13,546,460	13,546,460
Volumetric rate	No change	No Change
Eddyville		
Purchases in gallons	7,757,000	7,757,000
Volumetric rate	No change	No Change
Barkley Lake Water		
Purchases in gallons	379,400	379,400
Volumetric rate	<u>\$2.23 /1,000</u>	<u>\$1.65/1,000</u>
	\$846.06	\$626.01
Increased water cost		\$18,995.05
Increased water cost		\$18,995.05
Divided by gallons sold		<u>94,300,300</u>
Purchased water adjustment factor		\$0.21 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00275 DATED **AUG 10 2011**

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" x 3/4" Meter

First	2,000 gallons	\$19.54	Minimum Bill
Next	3,000 gallons	8.26	per 1,000 gallons
Next	5,000 gallons	6.23	per 1,000 gallons
Next	10,000 gallons	4.20	per 1,000 gallons
Over	20,000 gallons	3.70	per 1,000 gallons

3/4" Meter

First	4,000 gallons	\$25.66	Minimum Bill
Next	1,000 gallons	5.89	per 1,000 gallons
Next	5,000 gallons	4.49	per 1,000 gallons
Next	10,000 gallons	3.09	per 1,000 gallons
Over	20,000 gallons	2.74	per 1,000 gallons

1" Meter

First	15,000 gallons	\$78.59	Minimum Bill
Next	5,000 gallons	3.47	per 1,000 gallons
Over	20,000 gallons	3.07	per 1,000 gallons

1 1/2" Meter

First	25,000 gallons	\$111.25	Minimum Bill
Over	25,000 gallons	3.07	per 1,000 gallons

2" Meter

First	45,000 gallons	\$172.56	Minimum Bill
Over	45,000 gallons	3.07	per 1,000 gallons

David Lovett
Lyon County Water District
5464 U.S. Highway 62 West
Kuttawa, KENTUCKY 42055